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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

KENNETH J. HERZOG and WILLIAM SARLES

Junior Party,
(Application 09/138,159),
v.

FREDERICK WILLIAMS SARLES and DOUGLAS A. JOHNSON

Senior Party
(Application 08/964,572)

Patent Interference No. 104,514

Before SCHAFER, LEE, and MEDLEY, Administrative Patent Judges.

MEDLEY, Administrative Patent Judge.

MEMORANDUM OPINION AND JUDGMENT

A. Introduction

This interference was declared on March 29, 2000. Sarles originally represented that the real party in interest of its involved application was WRD Corporation. (Paper 6). Herzog

originally represented that the real party in interest of its involved application was Kaps-All Packaging Systems. (Paper 17). On February 7, 2001, senior party Sarles filed a paper entitled "Parties Sarles and Herzog Notification Pursuant to 37 C.F.R. § 1.602" (Paper 40) in which it is represented that junior party's involved application 09/138,159 and senior party's involved application 08/964,572 are now commonly owned by Kaps-All Packaging Systems, Inc. The paper was signed by both counsel for junior party Herzog and senior party Sarles. No copy of the assignment was filed with the notification.

An ORDER TO SHOW CAUSE was filed February 8, 2001 (paper 41). Kaps-All Packaging Systems, Inc., the common assignee of the involved applications, was ordered to show good cause, within 20 days, why judgment should not be entered against junior party Herzog. The Board received a settlement agreement on February 16, 2001 (paper 44).

A conference call involving counsel for party Herzog, party Sarles and administrative patent judge (APJ) Sally Medley was held on February 28, 2001 (the day a response to the Order to Show Cause was due). Counsel for party Herzog sought advice from the APJ regarding how it should continue prosecution of certain ones of junior party Herzog's claims. The APJ did not give an opinion as to what the parties should

do. The APJ did express to the parties that if a response to the Order to Show Cause was not received within the deadline (February 28, 2001), then judgment could be entered against junior party Herzog.

On February 28, 2001, Herzog filed a paper entitled "PARTY HERZOG RESPONSE TO ORDER TO SHOW CAUSE" (paper 45). Party Herzog states that it opposes the Order to Show Cause "unless prior to entry of judgment (against junior party Herzog), claims 1-9, 11-18 and 20-49 of the involved Herzog application 09/138,159 are designated as not corresponding to the count." (Paper 44 at 1). Herzog, along with its response to the Order to Show Cause, has filed a terminal disclaimer. Herzog states that the settlement agreement establishes that Party Sarles obligated to assign their involved 08/964,159 application to Kaps-All at the time the invention was made. (Paper 45, para. 12 at 3).

B. Discussion

Kaps-All, as the common assignee of the involved applications, was under an Order to Show Cause why adverse judgment as to the subject matter of the count should not be entered against junior party Herzog. (Paper 41). In its response to the Order to Show Cause, Herzog agrees that judgment against it is appropriate, if we decide to designate

its claims 1-9, 11-18 and 20-49 as not corresponding to the count.

That Herzog opposes the entry of judgment against it unless certain of its claims are designated as not corresponding to the count, does not explain why Herzog is entitled, at this time in this proceeding, to have us consider the undesignation of certain of its claims. Herzog has failed to show good cause why such an argument should be considered.

The appropriate vehicle for a party moving to designate certain claims as not corresponding to a count is through the filing of a preliminary motion under 37 CFR § 1.633(c). Herzog has not filed a preliminary motion under 37 CFR § 1.633(c).

Even if Herzog's response to the Order to Show Cause is construed as a preliminary motion under 37 CFR § 1.633(c), such "preliminary motion" is untimely and fails to comply with the requirements for demonstrating that Herzog is entitled to the relief sought. Preliminary motions were to be filed by February 15, 2001 (paper 43)¹. Herzog's response to the Order to Show Cause was filed February 28, 2001, 13 days after the

¹ Herzog and Sarles stipulated to several time changes for time period 1 (the time for filing preliminary motions), resulting in Herzog having approximately 7 months to file a preliminary motion to undesignate claims. No preliminary motions (from either Herzog or Sarles) were filed.

time for filing a preliminary motion. (Paper 43). There is no indication that the parties agreed to extend the time for filing preliminary motions beyond the February 15, 2001 date. Still further, Herzog has failed to comply with the requirements under 37 CFR § 1.637(a) and (c)(4); the requirements for demonstrating that a moving party is entitled to the relief sought for undesignating claims as corresponding to the count.

For the above reasons, we have considered Herzog's arguments as to why its claims 1-9, 11-18 and 20-49 should not be designated as corresponding to the count only to the extent necessary to provide the above discussion. Otherwise, Herzog's arguments as to why its claims 1-9, 11-18 and 20-49 should not be designated as corresponding to the count have not been considered on the merits.

Herzog has filed a terminal disclaimer with its response, "to remove any question of patentability over the count." (Paper 45 at 1). Apparently, Herzog is under the impression that the terminal disclaimer renders any rejections that can be made between the Sarles and Herzog applications moot.

However, Herzog has directed us to no supporting authority, nor has Herzog provided a sufficient explanation that demonstrates that a terminal disclaimer is effective to

overcome rejections made between the Sarles and Herzog applications. Indeed, a terminal disclaimer does not overcome a 35 U.S.C. § 103(c) rejection². A terminal disclaimer has no effect for a rejection available under 35 U.S.C. § 103(c), since the basis for refusing more than one patent is priority of invention and not an undue extension of patent term.

This interference was declared to resolve the question of priority. At the time the Sarles application was filed, the application was assigned to WRD Corporation. At the time the Herzog application was filed, the application was assigned to Kaps-All. Now, the involved Sarles and Herzog applications are said to be commonly assigned to Kaps-All. That evidence makes a prima facie demonstration that the inventions were not owned by the same entity at the time either the Herzog or Sarles invention was made.

Herzog now submits that the settlement agreement between Sarles and Herzog establishes that Sarles was obligated to assign its involved application to Kaps-All Packaging Systems

² 35 U.S.C. 103(c) provides:

Subject matter developed by another person, which qualifies as prior art only under subsection (f) or (g) of section 102 of this title, shall not preclude patentability under this section where the subject matter and the claimed invention were, at the time the invention was made, owned by the same person or subject to an obligation of assignment to the same person.

at the time the invention was made (Paper 45 at 3, para. 12). Apart from that conclusory statement and apart from the filing of a copy of the settlement agreement, no evidence was submitted to demonstrate the existence of that obligation or when the obligation arose, and no explanation was set forth as to how the evidence supports the alleged conclusion.

We decline to take up the role of counsel to independently sift through the record³ to see how any collection of evidence can be mustered to support a persuasive argument that there was an obligation to assign, and that such an obligation to assign existed at the time the inventions were made. See Ernst Haas Studio, Inc. v. Palm Press, Inc., 164 F.3d 110, 112, 49 USPQ2d 1377, 1379 (2d Cir. 1999) (declining invitation to scour record to make out a party's case for it). "Judges are not like pigs, hunting for truffles buried in briefs." United States v. Dunkel, 927 F.2d 955, 956 (7th Cir. 1991).

For the above reasons, we are not persuaded that the terminal disclaimer that Herzog has filed is sufficient to render rejections that can be made between the Sarles and Herzog applications moot. Further, since Herzog has failed to

³ The "settlement agreement" is approximately 60 pages in length.

direct us to or explain any evidence of a prior obligation of Sarles to assign to Kaps-All, we do not find that Sarles had a prior obligation to assign to Kaps-All prior to the time the Sarles invention was made.

Herzog fails to provide good cause why judgment should not be entered against it. The arguments that 1) Herzog claims 1-9, 11-18 and 20-49 are distinct from the count; 2) Herzog claims 1-9, 11-18 and 20-49 are of a different inventive entity; and 3) Herzog is concerned of the effect of interference estoppel (paper 45 at 3) do not show good cause as to why judgment should not be entered against Herzog.

As stated above, Herzog had ample opportunity to file a preliminary motion to designate its claims 1-9, 11-18 and 20-49 as not corresponding to the count and to file any other preliminary motion it wished to file. Herzog's concerns with the effect of interference estoppel is a result of its own failure to file preliminary motions within the preliminary motions phase of this proceeding. Accordingly, it is

ORDERED that judgment on priority as to Count 1 (Paper 1 at 47), the sole count in the interference, is awarded against junior party Kenneth J. Herzog and William Sarles.

FURTHER ORDERED that junior party Kenneth J. Herzog and William Sarles is not entitled to a patent containing claims 1-9 and 11-50 (corresponding to Count 1) of application 09/138,159, filed 21 August 1998.

FURTHER ORDERED that a copy of this paper shall be made of record in files of application 09/138,159 and application 08/964,572.

FURTHER ORDERED that if there is a settlement agreement, attention is directed to 35 U.S.C. § 135(c) and 37 CFR § 1.661.

_____)
RICHARD E. SCHAFER)
Administrative Patent Judge)

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JAMESON LEE)	APPEALS AND
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SALLY C. MEDLEY)	
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